

**STATE OF WEST VIRGINIA
WEST VIRGINIA SECURITIES DIVISION
BEFORE THE SECURITIES COMMISSIONER
CHARLESTON, WEST VIRGINIA 25305**

IN THE MATTER OF:

CASE NO. 94-1073

ORDER APPROVING EXEMPTION

BOSTON STOCK EXCHANGE, INC.

ATTN: Anthony K. Stankiewicz, Esq.

Member Services Manager

Boston Stock Exchange, Inc.

One Boston Place

Boston, Massachusetts 02105

ORDER

Pursuant to the authority granted to him by Chapter 32 of the West Virginia Code, 1931, amended, the West Virginia Uniform Securities Act, hereinafter referred to as the "Act", and particularly Chapter 32, Article 4, Section 412 of the Act, the Commissioner of Securities ("Commissioner"), has reviewed the **BOSTON STOCK EXCHANGE ("BSE")** request to be an approved Exchange within the meaning of Chapter 32, Article 4, Section 402(a)(8) of the Act.

Pursuant to said review, the Commissioner is of the opinion and finds as follows:

FINDINGS OF FACT

1. In July 1994, BSE adopted new rules to impose more stringent listing criteria, among other things, "...have rules that are designed to prevent fraudulent and manipulative acts and to protect investors and the public interest". These rules were approved by the Securities and Exchange Commission ("SEC").

2. In October 1994, BSE made a formal request to the Commissioner to be included in Section 32-4-402(a)(8) of the Act and eliminated the restriction imposed by Section 15.06 of the Regulations.

3. In January 1973, an exemption was granted to BSE under Section 32-1-3(e) of the Act (prior to the Uniform Act) by the Commissioner.

4. In June 1974, the Uniform Securities Act was enacted by the Legislature of West Virginia. BSE was recognized as a "regional stock exchange" and, as such, was included in the exemption of Chapter 32, Article 4, Section 402(a)(8) of the Act. However, in April 1984, regulations (15.06) to the Act were adopted by the Commissioner which specifically denied BSE the exemption under subsection (a)(8), "...any regional stock exchange shall not include the BSE".

5. In 1991, amendments to the West Virginia exchange exemption rewrote subsection (a)(8) excluding "any regional stock exchange" and leaving it to the Commissioner to approve "any other stock exchange", implying partial repeal of Regulation 15.06 wording ("any regional stock exchange") quoted in the regulation no longer exists in the Act.

6. The Commissioner finds that it is necessary and appropriate in the public interest and is consistent with the purposes fairly intended by the policy and provisions of Chapter 32 of the Act, to grant approval of BSE as an exempt exchange within the meaning of Chapter 32, Article 4, Section 402(a)(8) of the Act.

CONCLUSIONS OF LAW

1. Chapter 32, Article 4, Section 412(a) of the Act provides that the Commissioner may issue orders as are necessary to carry out the provisions of the Act.

2. The Act's exemption provisions, specifically Chapter 32, Article 4, Section 402(a)(8) are sufficiently broad enough to allow the Commissioner flexibility to adopt a policy exempting BSE.

IT IS, THEREFORE, ORDERED that BSE is an exempt exchange within the meaning of Chapter 32, Article 4, Section 402(A)(8) of the Act.

ENTERED THIS 27TH DAY OF DECEMBER, 1994

Glen B. Gainer III
Commissioner of Securities

By: Frank D. Childers
Deputy Commissioner of Securities